



6712-01

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 54

[WC Docket No. 13-184; FCC 14-99]

Modernization of the Schools and Libraries “E-Rate” Program

AGENCY: Federal Communications Commission.

ACTION: Final rule; correction; correcting amendments.

SUMMARY: This document corrects errors in the dates section, the supplementary information portion, and Final Rules section of a Federal Register document regarding the Commission taking major steps to modernize the E-rate program (more formally known as the schools and libraries universal service support mechanism). Building on the comments the Commission received in response to the E-rate Modernization NPRM, and the E-rate Modernization Public Notice, as well as recommendations from the Government Accountability Office (GAO), the program improvements the Commission adopts as part of this document begin the process of reorienting the E-rate program to focus on high-speed broadband for our nation’s schools and libraries. The document was published in the Federal Register on August 19, 2014.

DATES: The corrections and correcting amendments in this rule are effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER], except that correcting amendments 3 and 5 are effective July 1, 2015.

FOR FURTHER INFORMATION CONTACT: James Bachtell or Kate Dumouchel, Wireline Competition Bureau, Telecommunications Access Policy Division, at (202) 418-7400 or TTY: (202) 418-0484.

SUPPLEMENTARY INFORMATION: This summary contains corrections to the dates section, the supplementary information portion, and the Final Rules section of a **Federal Register** summary, 79 FR 49160 (August 19, 2014). The full text of the Commission's Report and Order in WC Docket No. 13-184, FCC 14-99 released on July 23, 2014 is available for public inspection during regular business hours in the FCC Reference Center, Room CY-A257, 445 Twelfth Street, S.W., Washington, D.C., 20554.

Corrections to Final Rule

In rule FR Doc. 2014-18937 published August 19, 2014 (79 FR 49160) make the following corrections.

1. On page 49160, in the first column, correct the effective dates in the DATES section as follows:

Section	Correct ...	To read...
54.503(c)	Upon announcement of OMB approval of	[Insert date 30 days after date of publication of this correction]

	information collection requirements	
54.504(f)	Upon announcement of OMB approval of information collection requirements.	54.504(f)(4)-(5) will become effective July 1, 2016
54.507(d)	Upon announcement of OMB	[Insert date 30 days after date of publication of this correction]

	approval of information collection requirements	
54.507(f)	July 1, 2015	[Insert date 30 days after date of publication of this correction]
54.514(a)	Upon announcement of OMB approval of information collection requirements	[Insert date 30 days after date of publication of this correction]
54.516(a)- (c), (d)	July 1, 2015	54.516 is effective on July 1, 2015, with the exception of

		<p>paragraphs (a)-(c) which are effective upon announcement of OMB approval of information collection requirements.</p>
54.720(a)	<p>Upon announcement of OMB approval of information collection requirements</p>	<p>[Insert date 30 days after date of publication of this correction]</p>

2. On page 49161, in the second column, in paragraph 7, in the last sentence add the words “, we continue the Commission’s commitment to meeting schools’ and libraries’ connectivity needs” after the word “connections”.

3. On page 49168, in the second column, in paragraph 66, eleventh line, remove the comma after the word “services.”

4. On page 49168, in the third column, in paragraph 71, twenty-seventh line, remove the word “supports” and add in its place the word “supported.”

5. On page 49169, in the second column, in paragraph 74, twenty-third line, remove the words “subsequent five funding years” and add in their place the words “subsequent four funding years.”

6. On page 49169, in the second column, in paragraph 76, fifth line, add the word “do” after the words “five-year budgets.”

7. On page 49171, in the third column, in paragraph 95, third line, remove the word “and” and add in its place the words “and/or.”

8. On page 49172, in the first column, in paragraph 95, second line, correct the first full sentence to read “In other words, for schools in districts receiving funding in years 2015 and/or 2016, we adopt a rolling funding cycle of five years for category two services, which begins the first year that a school receives E-rate support, and remove the two-in-five rule that applied to priority two internal connections.”

9. On page 49172, in the first column, in paragraph 95, correct the third full sentence to read “Therefore, schools that seek category two support in funding year 2015 will calculate their available pre-discount support budget as \$150 per student over five years beginning with funding year 2015.”, and correct the fourth full sentence to read “Schools that seek category two support in funding year 2016 will calculate their available pre-discount support budget as \$150 per student, less any of the five year pre-discount budget used in funding year 2015.”, and correct the fifth full sentence to read “In later years, schools that received category two support in funding years 2015 and/or 2016 will calculate their available pre-discount budget based on \$150 per student, less any of the pre-discount budget used in the prior funding years that are part of that school’s five year funding cycle.”

10. On page 49174, in the second column, in paragraph 113, in the first sentence, first line, remove the word “Under” and add in its place the words “For example, under.”

11. On page 49176, in the second column, in paragraph 128, in the second sentence, eleventh line, remove the words “sufficient funding for is available” and add in their place the words “sufficient funding is available.”

12. On page 49176, in the third column, in paragraph 128, in the penultimate sentence, eleventh line, add the word “will” after the word “We.”

13. On page 49178, in the first column, in paragraph 139, twelfth line, remove the words “on-campus use.”

14. On page 49179, in the first column, in paragraph 148, in the last sentence, thirtieth line, remove the word “APIs” and add in its place the words “application programming interfaces (APIs).”

15. On page 49181, in the second column, in paragraph 168, correct the third full sentence to read “To show that it is authorized to seek or order eligible services for the applicants, a consortium lead may provide copies of relevant state statutes or regulations authorizing consortium leads to seek or order services on members’ behalf or other proof that a consortium lead is authorized to seek or order services on behalf of its members.”

16. On page 49186, in the first column, in paragraph 202, in the first sentence, fifth line, remove the words “discount rate” and add in their place the words “NSLP level of poverty.”

17. On page 49186, correct paragraph 205 to read “In light of the benefits to school districts and libraries of adopting a district-wide discount, we revise §

54.505(b)(4) of our rules to require school districts to calculate their E-rate discounts by: dividing the total number of students in the district eligible for the NSLP by the total number of students in the district and comparing that single figure against the discount matrix to determine the school district's discount rate for E-rate supported services. All public schools and libraries within that public school district will receive the same discount rate, except under the circumstances described below. First, for the sake of simplicity, when a library system has branches or outlets in more than one public school district, that library system and all library outlets within that system should use the address of the central outlet or main administrative office to determine which public school district the library system is in, and should use that public school district's NSLP level of poverty to determine its discount rate whether applying as a library system or as one or more individual library outlets within that system. Second, library systems, and individual libraries that are not part of a library system, must separately determine their urban/rural status. All outlets within a library system receive the same discount rate."

18. On page 49187, in the first column, in paragraph 210, fifth line, remove the word "(Census)" and add in its place the words "(Census Bureau)."

19. On page 49187, in the first column, in paragraph 210, in the third sentence, nineteenth line, add the word “Bureau” after the word “Census.”

20. On page 49187, in the first column, in paragraph 210, in the fifth sentence, twenty-eighth line, add the word “Bureau” after the word “Census.”

21. On page 49187, in the first column, in paragraph 210, in the sixth sentence, thirty-fourth line, add the word “Bureau” after the word “Census.”

22. On page 49187, in the first column, in paragraph 211, in the second sentence, third line, add the word “Bureau” after the word “Census.”

23. On page 49187, in the first column, in paragraph 211, in the third sentence, sixth line, add the word “Bureau” after the word “Census.”

24. On page 49187, in the first column, in paragraph 211, in the fourth sentence, remove the words “2010 Census” and add in their place the words “2010 decennial census,” add the words “for urbanized areas and 2,500 to 50,000 for urban clusters” after the word “more,” and remove the words “of at least 2,500 people that link to” and add in their place the words “containing non-residential urban land uses as well as territory with low population density included to link outlying densely settled territory with.”

25. On page 49187, in the first column, in paragraph 211, in the sixth sentence, twenty-fifth line, remove the word “Census” and add in its place the word “census.”

26. On page 49187, in the second column, in paragraph 213, remove the words in the fourth sentence “Libraries’ discount percentages will continue to be based on that of the public school district in which they are physically located.” and add in their place the words “Libraries’ discount percentages will continue to be based on the level of poverty, CEP or otherwise, of the public school district in which they are physically located, though library systems and individual libraries not part of a library system will separately determine their urban/rural status.”

27. On page 49188, in the second column, in paragraph 218, nineteenth line, add the word “on” before the words “only the surveys returned.”

28. On page 49197, in the first and second columns, correct paragraph 306 to read “It is further ordered, that pursuant to the authority contained in sections 1 through 4, 201 through 205, 254, 303(r), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. 151-154, 201-205, 254, 303(r), and 403, and section 706 of the Telecommunications Act of 1996, 47 U.S.C. 1302, Part 54 of the Commission’s rules, 47 CFR part 54, is Amended as set forth below, and such rule amendments shall be

effective September 18, 2014, except for §§ 54.503(c), 54.507(d) through (f), 54.514(a), and 54.720(a), which shall be effective **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**; §§ 54.502(b)(2) through (3) and (5), 54.504(a), and 54.516(a) through (c), which are subject to the PRA and will become effective upon announcement in the **Federal Register** of OMB approval of the subject information collection requirements; and except for amendments in §§ 54.5, 54.500, 54.501(a)(1), 54.502(a), 54.504(d), 54.507(a) through (c) and (e), and 54.516(d), which shall become effective on July 1, 2015; and amendments in §§ 54.504(f)(4) and (f)(5) and 54.514(c), which shall become effective on July 1, 2016.”

§ 54.500 [Corrected]

29. On page 49197, in the Final Rules section, in the third column, in the definition of Consortium in § 54.500, correct the second sentence to read “A consortium may also include health care providers eligible under subpart G of this part, and public sector (governmental) entities, including, but not limited to, state colleges and state universities, state educational broadcasters, counties, and municipalities, although such entities are not eligible for support.”

30. On page 49198, in the Final Rules section, in the first column, in the definition of Managed internal broadband services in § 54.500, remove the words “management, and/or monitoring” and add in their place the words “management, and monitoring” and remove the words “local area network (LAN) and wireless LAN” and add in their place the words “local area network (LAN) and/or wireless LAN.”

§ 54.501 [Corrected]

31. On page 49198, in the Final Rules section, in the first column, in paragraph (a)(1) of § 54.501, remove the words “ “elementary school” and “secondary school” ” and add in their place the words “ “elementary school” or “secondary school” ”.

§ 54.502 [Corrected]

32. On page 49198, in the Final Rules section, in the first column, in paragraph (a) of § 54.502 , remove the words “paragraph (b)” and add in their place the words “paragraph (d).”

Correcting Amendments

List of Subjects in 47 CFR Part 54

Communications common carriers, Health facilities, Infants and children, Libraries,
Reporting and recordkeeping requirements, Schools, Telecommunications, Telephone.

Accordingly, 47 CFR part 54 is corrected by making the following correcting
amendments:

PART 54 — UNIVERSAL SERVICE

1. The authority citation for part 54 continues to read as follows:

AUTHORITY: Sections 1, 4(i), 5, 201, 205, 214, 219, 220, 254, 303(r), and 403 of the
Communications Act of 1934, as amended, and section 706 of the Communications Act
of 1996, as amended; 47 U.S.C. 151, 154(i), 155, 201, 205, 214, 219, 220, 254, 303(r),
403, and 1302 unless otherwise noted.

2. Effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER],
amend § 54.5 by revising the definition of “Internet access” to read as follows:

§ 54.5 Terms and definitions.

* * * * *

Internet access. “Internet access” includes the following elements:

- (1) The transmission of information as common carriage;
- (2) The transmission of information as part of a gateway to an information service, when that transmission does not involve the generation or alteration of the content of information, but may include data transmission, address translation, protocol conversion, billing management, introductory information content, and navigational systems that enable users to access information services, and that do not affect the presentation of such information to users; and
- (3) Electronic mail services (e-mail).

3. Effective July 1, 2015, amend § 54.5 by revising the definition of “Internet access” to read as follows:

§ 54.5 Terms and definitions.

* * * * *

Internet access. “Internet access” includes the following elements:

- (1) The transmission of information as common carriage; and
- (2) The transmission of information as part of a gateway to an information service, when that transmission does not involve the generation or alteration of the content of

information, but may include data transmission, address translation, protocol conversion, billing management, introductory information content, and navigational systems that enable users to access information services, and that do not affect the presentation of such information to users.

* * * * *

4. Effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER], amend § 54.504 by revising paragraph (d) to read as follows:

§ 54.504 Requests for services.

* * * * *

(d) *Service substitution.* (1) The Administrator shall grant a request by an applicant to substitute a service or product for one identified on its FCC Form 471 where:

- (i) The service or product has the same functionality;
- (ii) The substitution does not violate any contract provisions or state or local procurement laws;
- (iii) The substitution does not result in an increase in the percentage of ineligible services or functions; and

(iv) The applicant certifies that the requested change is within the scope of the controlling FCC Form 470, including any associated Requests for Proposal, for the original services.

(2) In the event that a service substitution results in a change in the pre-discount price for the supported service, support shall be based on the lower of either the pre-discount price of the service for which support was originally requested or the pre-discount price of the new, substituted service.

(3) For purposes of this rule, the broad categories of eligible services (telecommunications service, Internet access, and internal connections) are not deemed to have the same functionality with one another.

5. Effective July 1, 2015, amend § 54.504 by revising paragraph (d) to read as follows:

§ 54.504 Requests for services.

* * * * *

(d) Service substitution. (1) The Administrator shall grant a request by an applicant to substitute a service or product for one identified on its FCC Form 471 where:

(i) The service or product has the same functionality;

- (ii) The substitution does not violate any contract provisions or state or local procurement laws;
- (iii) The substitution does not result in an increase in the percentage of ineligible services or functions; and
- (iv) The applicant certifies that the requested change is within the scope of the controlling FCC Form 470, including any associated Requests for Proposal, for the original services.

(2) In the event that a service substitution results in a change in the pre-discount price for the supported service, support shall be based on the lower of either the pre-discount price of the service for which support was originally requested or the pre-discount price of the new, substituted service.

(3) For purposes of this rule, the two categories of eligible services are not deemed to have the same functionality as one another.

6. In § 54.505:

- a. Revise paragraph (b)(2).
- b. In paragraph (b)(3)(i), remove the word “urbanized” and add in its place the word “urban”.

The revision reads as follows:

§54.505 Discounts.

* * * * *

(b) * * *

(2) For libraries and library consortia, the level of poverty shall be based on the percentage of the student enrollment that is eligible for a free or reduced price lunch under the national school lunch program or a federally-approved alternative mechanism in the public school district in which they are located and should use that school district’s level of poverty to determine their discount rate when applying as a library system or as an individual library outlet within that system. When a library system has branches or outlets in more than one public school district, that library system and all library outlets within that system should use the address of the central outlet or main administrative office to determine which school district the library system is in, and should use that school district’s level of poverty to determine its discount rate when applying as a library

system or as one or more library outlets. If the library is not in a school district, then its level of poverty shall be based on an average of the percentage of students eligible for the national school lunch program in each of the school districts that children living in the library's location attend.

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FEDERAL COMMUNICATIONS COMMISSION.

Marlene H. Dortch,

Secretary.

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